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7					
8	UNITED STATES	DISTRICT COURT			
9	CENTRAL DISTRIC	CT OF CALIFORNIA			
10					
11	Brandon Martinez, Jeff Pile and Diana Rodriguez, on behalf of	CASE NO. 2:16-cv-02551			
12	Rodriguez, on behalf of themselves and all others similarly situated,	COMPLAINT			
13	Plaintiffs,	Demand for Jury Trial			
14	V.				
15	Toshiba America Information Systems,				
16	Toshiba America Information Systems, Inc.; Toshiba Corporation; Toshiba Lifestyle Products & Services				
17	Corporation,				
18	Defendants.				
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	COMPLAINT				

Brandon Martinez, Jeff Pile, and Diana Rodriguez (collectively, "Plaintiffs"), by and through Plaintiffs' undersigned attorneys, on behalf of themselves as well as the proposed classes (defined *infra*), demanding trial by jury of all claims properly triable thereby, make the following allegations and claims against Defendants Toshiba America Information Systems, Inc. ("TAIS"), Toshiba Corporation, and Toshiba Lifestyle Products & Services Corporation ("TLSC," and collectively with TAIS and Toshiba Corporation, "Defendants" or "Toshiba").

JURISDICTION

1. This Court has jurisdiction over all causes of action asserted herein pursuant to the Class Action Fairness Act. 28 U.S.C. § 1332(d).

PRELIMINARY STATEMENT

- 2. This action is brought by Plaintiffs, on behalf of Plaintiffs and the proposed classes, to recover damages and restitution in connection with the purchase of Toshiba-brand televisions that were falsely marketed and advertised by Toshiba as "LED TVs," "LED HDTVs" or "LED televisions." Plaintiffs and the proposed classes also seek an injunction: (a) requiring Toshiba to engage in a corrective advertising campaign to alert consumers as to the true nature of these televisions; (b) prohibiting Toshiba from continuing falsely to market and advertise such televisions as "LED TVs," "LED HDTVs," or "LED televisions"; and (c) requiring Toshiba to recall and re-label all such televisions that have already been distributed for re-sale, but not yet sold to retail customers.
- 3. The televisions at issue are not "LED TVs," but instead are **LCD** TVs that use light emitting diodes (LEDs) instead of cold cathode fluorescent lights (CCFLs) to light the liquid crystal display (LCD) panel that is present in each of the televisions at issue.

- 4. Toshiba's failure to disclose that its references to LED refer to the light source that illuminates the LCD panel, instead of the display technology itself, and its nondisclosure and concealment that each of the televisions is otherwise functionally identical to televisions that are advertised and sold as "LCD TVs," were at all times knowing, intentional, and intended to mislead consumers. Toshiba's false and misleading marketing and advertising were and are designed falsely to suggest that the televisions at issue are not LCD TVs at all, but an entirely different, improved, and technologically advanced class or species of television. This is false; all of these televisions are LCD TVs.
 - 5. Toshiba has used and continues to use this deception: (a) to induce customers to purchase Toshiba's so-called LED TVs in the mistaken belief that they are upgrading from their existing CCFL-lit LCD TVs; (b) to charge a premium for such televisions that Plaintiffs and other consumers would not have paid had the televisions been accurately labeled and described; and (c) to capture sales from other brand televisions that were accurately labeled as LED-lit LCD TVs.
 - 6. Toshiba has perpetrated a massive consumer fraud upon thousands of unsuspecting purchasers, each of whom paid an unsupported premium for a deceptively labeled "LED TV," and on whose behalf Plaintiffs bring this action to recover such premium and for other appropriate relief.

PARTIES

- 7. Plaintiff Brandon Martinez is a citizen of Idaho, and, while residing in New Mexico, purchased a Toshiba-brand 50L2200U model "LED TV" for personal use and not for resale.
- 8. Plaintiff Jeff Pile is a citizen of Florida, and purchased a Toshiba-brand 47TL515U model "LED TV" for personal use and not for resale.
- 9. Plaintiff Diana Rodriguez is a citizen of New Jersey, and purchased a Toshiba-brand 55SL417U model "LED TV" for personal use and not for resale.

- 11. TAIS is a California corporation with its principal place of business located in Irvine, California. TAIS has distributed and marketed and directed the marketing of so-called "LED TVs" within this district, the State of California, and throughout the United States. Upon information and belief, TAIS's deceptive marketing and advertising practices described herein originated out of its principal place of business in California.
- 12. Toshiba Corporation is a Japanese corporation with its principal place of business located in Tokyo, Japan. Toshiba Corporation distributes and markets, and directs and oversees the marketing of, so-called "LED TVs" within this district, the State of California, and throughout the United States. Additionally, Toshiba Corporation has licensed the ability to market and sell Toshiba-branded televisions in the U.S. to a Taiwanese firm named Compal Electronics. Upon information and belief, Toshiba Corporation has continued, and will still continue to, oversee the distribution and marketing of Toshiba-branded televisions in the U.S., including so-called "LED" TVs.
- 13. TLSC is a Japanese corporation with its principal place of business located in Tokyo, Japan. Upon information and belief, TLSC is a subsidiary of Toshiba Corporation. Upon information and belief, TLSC distributes and markets, and will continue to distribute and market or cause to be distributed and marketed, so-called "LED TVs" within this district, the State of California, and throughout the

United States. Upon information and belief, TLSC is an entity that, on behalf of
Toshiba Corporation, has contracted with the Taiwanese firm named Compal
Electronics to market and sell Toshiba-branded televisions in the U.S. Upon
information and belief, TLSC, on behalf of Toshiba Corporation, will continue to
oversee and/or cause the distribution and marketing of Toshiba-branded televisions

in the U.S., including so-called "LED" TVs.

STATEMENT OF FACTS

TELEVISION OWNERSHIP AND SALES STATISTICS

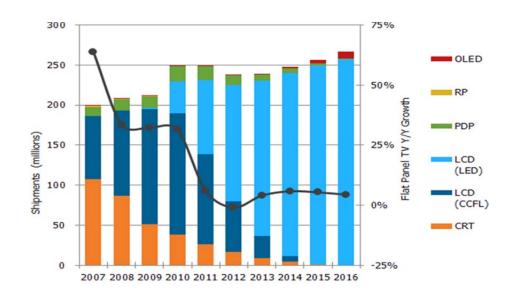
- 14. Televisions are ubiquitous in our society. The Nielsen Company, a world-renowned expert in the field of television viewership, reported in 2012 that 97.1% of all U.S. households owned a television, and 84.4% owned more than one. According to the same report, in 2012, U.S. households were more likely to own a television than a cell phone (87.3%), DVD player (86.7%), or personal computer (80.9%).
- 15. While the TV household penetration rate in the U.S. has been high for decades exceeding 90% since 1965 rapid advances in display technology (including the introduction of so-called flat panel televisions), the dramatic expansion of non-broadcast "cable" and "satellite" channels and providers, price competition, and the Congressional mandate that all full power television broadcasters (like ABC, NBC, and CBS) broadcast exclusively in digital format starting on June 13, 2009, have led many, and perhaps most, U.S. households to purchase at least one television, and often several units, within the past few years alone.
- 16. Industry statistics bear out this phenomenon. In February 2008, 25.1% of all U.S. households were HD Display Capable meaning that they were "equipped with an HD television that [was] capable of displaying HD content." (HD or high definition content refers to the resolution of the screen image. HDTVs

1	produce a resolution or level of detail that is much greater than standard definition				
2	televisions.) By May 2012, however, the number of U.S. households that were HD				
3	Display Capable had increased to 75.5%. Non-HD televisions cannot be converted				
4	into HD televisions. In order for the penetration rate to have tripled, 50% of all U.S.				
5	households (or approximately 57,000,000 households based on U.S. Bureau of				
6	Statistics figures) had to buy at least one new television unit in that approximately 4				
7	year period.				
8	17.	Indus	try statistics show:		
9		a)	In 2009, television manufacturers shipped over 35,300,000 "flat		
10			panel" (Plasma or LCD) television units for sale in the United		
11			States.		
12					
13		b)	In 2010, television manufacturers shipped over 38,600,000 "flat		
14			panel" (Plasma or LCD) television units for sale in the United		
15			States.		
16		c)	In 2011, television manufacturers shipped almost 40,000,000		
17		,	"flat panel" (Plasma or LCD) television units for sale in the		
18			United States.		
19					
20		d)	In 2012, television manufacturers shipped over 37,600,000 "flat		
21		,	panel" (Plasma or LCD) television units for sale in the United		
22			States.		
23			Total revenue from 2012 sales exceeded \$28 billion.		
24					
25		e)	While final figures were not yet accessible as of filing, in 2013,		
26			television manufacturers were forecast to ship over 36,600,000		
27			"flat panel" (Plasma or LCD) television units for sale in the		
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			5		

COMPLAINT

United States. Total revenue from 2013 sales was projected to exceed \$28 billion.

18. As the following industry chart makes clear, globally, LCD TVs comprise the overwhelming majority of flat panel sales, and LED-lit LCD TVs now comprise the overwhelming majority of "LCD TV" sales:



- 19. Although LED-lit LCD TVs were introduced to the mass market in or about 2008, this technology has quickly come to dominate U.S. LCD TV unit sales, as the following statistics demonstrate:
 - a) In 2009, approximately 3% of all LCD TV units sold in the US (volume, not dollar value), used LED backlighting.
 - b) In 2010, approximately 22% of all LCD TV units sold in the US (volume, not dollar value), used LED backlighting.
 - c) In 2011, approximately 45% of all LCD TV units sold in the US (volume, not dollar value), used LED backlighting.

1	d) In 2012, approximately 51% of all LCD TV units sold in the US				
2	(volume, not dollar value), used LED backlighting.				
3					
4	e) In 2013, approximately 84% of all LCD TV units sold in the US				
5	(volume, not dollar value), were projected to use LED				
6	backlighting.				
7					
8	TOSHIBA'S MARKET SHARE				
9	20. Toshiba is a world-renown electronics manufacturer and a significant				
10	player in the U.S. television market. In the time period 2009 to 2013, and variable				
11	by quarter, Toshiba's market share in the U.S. LCD TV segment has fluctuated from				
12	about 5% to about 8%.				
13	21. Toshiba's acquisition and maintenance of its share of the U.S.				
14	television market for LCD TVs is due, in part, to the false advertising described				
15	herein.				
16	TELEVISION DISPLAY TECHNOLOGIES				
17	CRT Televisions and Analog Rear Projection Televisions				
18	22. From virtually its earliest beginnings until the late 1990s, direct view				
19	CRT-technology (cathode ray tubes) dominated the United States television market.				
20	These were the boxy televisions of old, and were sold to consumers in a variety of				
21	screen sizes, up to a maximum of 37" (measured diagonally).				
22	23. In a cathode ray tube television, a filament is placed inside a vacuum				
23	glass tube. When the filament (cathode) is activated by electricity, it generates				
24	electrons, which fall off the heated filament into the vacuum. A focusing anode				
25	attracts the electrons and focuses them into a tight beam or "ray," which is then				
26	accelerated. The tight, now high-speed electrons travel through the vacuum in the				
27	tube and strike the flat glass screen at the other end of the tube – which is the back				
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of the television's outward facing screen. The back of the screen is coated with phosphor, which glows when struck by the electron beam.

- 24. A phosphor is any material that, when exposed to radiation (like the electron beam), emits visible light. In a black and white CRT TV, there is one phosphor that glows white when struck. In a color screen, there are three phosphors arranged as dots or stripes, so as to emit red, green, and blue light when struck by the ray.
- CRT TVs were for decades the only televisions consumers could 25. purchase.
 - Exemplar images of CRT televisions follow: 26.







27. CRT TVs, moreover, have a built in size

limitation. The size of the screen is proportional to the size of the vacuum tube. To increase the screen size, one must increase the length of the vacuum tube. As a result, CRT TVs for the consumer market were generally only available in sizes up to 37" diagonal.

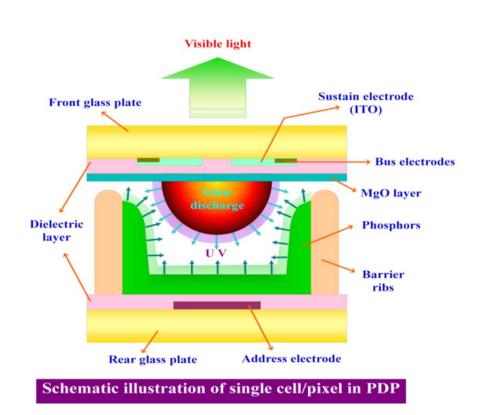
- 28. Consumers who wanted a larger screen image were forced to purchase analog projection televisions. Analog projection televisions of this era also used vacuum tube technology to generate the screen image.
 - Exemplar images of analog projection televisions follow: 29.



Plasma Televisions

- 30. In or about the early 2000s, television manufacturers began introducing flat panel, plasma display televisions ("Plasma TVs") to the mainstream consumer market. The introduction of Plasma TVs, which were thin and light enough to be mounted directly on a wall, revolutionized the television industry.
- 31. Plasma TVs use plasma displays, which are composed of millions of small cells, or pixels, containing electrically charged ionized gases, to generate the screen image. When the television is turned off, the ions and electrons in the gas or "plasma" are equally balanced, the atom is stable, and the pixel is dark. When electricity is introduced, however, the atoms become unstable and electrons and particles within the plasma begin to collide, releasing photons of ultraviolet energy.
- 32. Each pixel within the plasma display is made up of three separate subpixel cells with different colored phosphors one red, one blue, and one green. As discussed above, in the context of CRT TVs, phosphors produce light photons they glow when struck by energy. The phosphors in the Plasma TVs are activated by the ultraviolet photons, which can be varied in number by pixel and subpixel. The amount of electricity applied to the subpixel determines the number of ultraviolet photons generated, and thus the color intensity the subpixel generates,

which combines with the primary colors generated by the other two subpixels to determine the color displayed on the screen by the pixel. All of the pixels acting together generate the screen image. Exemplar graphical depictions of the image generating process for a plasma display are set forth below:



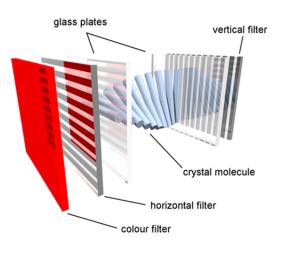
- 33. The pixels used in plasma displays do not require a separate light source; the image and all of the colors are generated by the interaction between the electrically charged ionized gases and the phosphor in the cells.
 - 34. A generic image of a Plasma TV is set forth below:

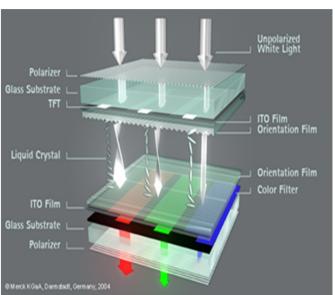


LCD Televisions

- 35. In the early to mid-2000s, television manufacturers began introducing flat panel, liquid crystal display televisions ("LCD TVs") to compete with Plasma TVs (and to a lesser degree other available alternative technologies, e.g., CRT). While flat, reasonably light, and wall-mountable like Plasma TVs, LCD TVs utilize a fundamentally different display technology liquid crystal displays ("LCD").
- 36. To form a liquid crystal display or LCD, a very thin layer of a liquid crystalline substance is sandwiched between two substrates, which are sheets of glass or plastic to which a grid of electrodes has been applied. A vertical polarizing film is applied to the LCD's rear substrate. Patterned red, green and blue color filters and a horizontal polarizing film are applied to the front substrate. The liquid crystals are rod-shaped polymers that are neither solid nor liquid and, when subject to an electric current, will align in a predictable manner. In an LCD TV, the liquid crystal display (or LCD) is then lit by a separate source of light (the "light source") because, unlike plasma displays, liquid crystals do not emit light themselves.
- 37. An LCD TV generates screen images by controlling the amount of light from the light source that passes through the LCD and strikes the color filters. In very simple terms, the LCD is comprised of millions of tiny liquid crystal "shutters" that allow or block the passage of light depending on the intensity of the electric current being applied. Each of these liquid crystal "shutters" corresponds to a tiny rectangular red, green, or blue filter or sub-pixel that is mounted to the front substrate (the surface closest to the television's glass screen). As with plasma displays, three sub-pixels one red, one green, and one blue comprise a single pixel, and a "Full HD" or high definition television will contain more than 2 million pixels (1920 pixels horizontally multiplied by 1080 pixels vertically). The amount

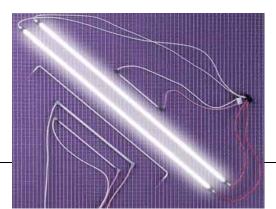
of light that passes through each liquid crystal "shutter" determines the intensity of the red, green, or blue color that the corresponding subpixel generates. The interaction of the trio of subpixels (for each pixel) determines the color that is displayed on the screen for that pixel. All of the pixels together generate the screen image. Exemplar graphical depictions of the image generating process for a liquid crystal display are set forth below:





38. LCD technology is light source neutral: *i.e.*, **any** white light source can be used to light and thus generate the screen image, a fact that has been widely known throughout the manufacturing industry since the introduction of this technology.

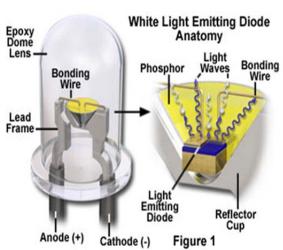
39. Initially, and for quite a number of years, all manufacturers of LCD TVs primarily used cold cathode fluorescent lights (CCFLs) as the source light. A picture of a generic CCFL light source of the type used in LCD TVs follows:



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market LCD TVs with other light sources, including LEDs, throughout this period. For example, in 2004, Sony introduced the Sony Qualia 005. The Sony Qualia 005 used an array of light emitting diodes to illuminate the LCD panel. The introduction of a different light source did **not** change the manner in which LCD panels and LCD TVs generate the screen image described above. A picture of a generic LED light source of the type used in LED-lit LCD TVs follows:

Television manufacturers, however, continued to experiment with and



- 41. Soon after their introduction, LED-lit LCD TVs proliferated, with multiple manufacturers using light emitting diodes, instead of CCFLs, to the light the liquid crystal display. Some of these devices place the LEDs behind the liquid crystal display (back- or direct-lit), while others place the LEDs on the edge of the liquid crystal display (edge lit). But all of these televisions—regardless of the light source—employ a liquid crystal display of LCD screen to generate the TV picture.
- 42. Toshiba introduced its first LCD TVs with an LED light source in the Summer of 2009 (i.e., the Regza SV670), and followed with additional models and generations of LED-lit LCD TVs generation series in subsequent years. Initially,

LED-lit LCD TVs represented only a small fraction of Toshiba's total LCD TV and other flat panel sales, whereas, at the time of the filing of this complaint, all of the TVs listed on Toshiba's U.S. website are LED-lit LCD TVs.

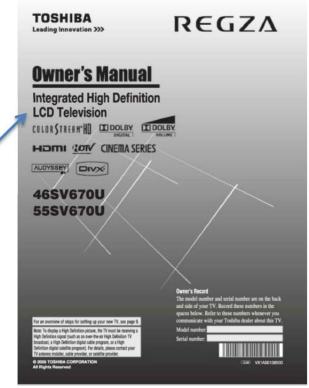
MARKETING OF LCD TELEVISIONS

43. When liquid crystal display televisions were first introduced into the market, the televisions were universally marketed as "LCD TVs," just as plasma display televisions had been advertised as Plasma TVs. No effort was made to advertise or designate this product line in reference to the CCFL or other light source used to light the LCD panel. For example, the Sony Qualia was not advertised as an LED TV, nor were comparable liquid crystal displays using CCFL backlights advertised as CCFL TVs. This remained true even as LED-lit LCD TVs became cheaper to manufacture and more common in the consumer segment of the market.

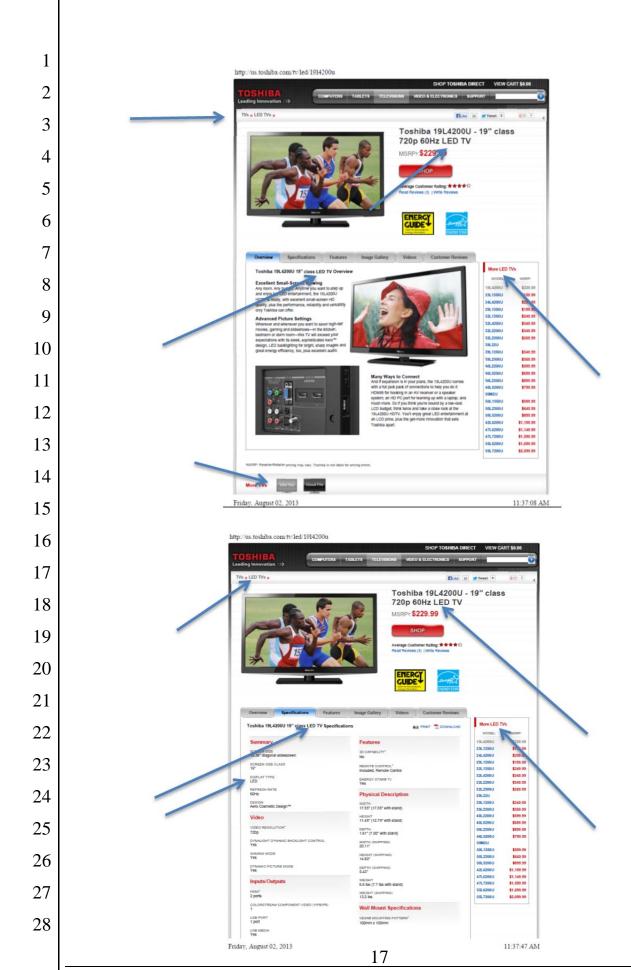
44. Toshiba's initial LED-lit LCD TV units were likewise clearly identified as LCD TVs as the following marketing materials and owner's manual for the Regza SV670 model demonstrate:





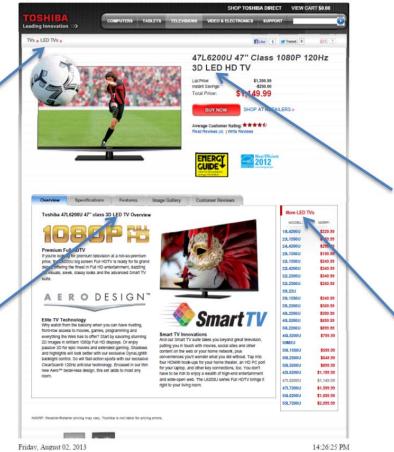


- 46. Manufacturers, including Toshiba, continued to manufacture both CCFL and LED-lit LCD TVs, advertising and selling them side by side through the same retail and on-line channels. While the LED lighting feature was often advertised, at least initially, no effort was made to conceal that these televisions utilized liquid crystal displays and were therefore in fact LCD TVs. Most early advertising, like the Toshiba materials quoted above, clearly stated that the televisions were LED-lit LCD TVs or otherwise accurately described and disclosed that the television being advertised utilized LCD display technology. As noted, very few consumers were interested enough to purchase the product, notwithstanding the LED light source.
- 47. Within months after it began distributing LED-lit LCD TVs, Toshiba made the marketing decision that gives rise to this lawsuit: Toshiba dropped all references to the televisions being LCD TVs and began marketing the LED-lit LCD TVs as a new, advanced, technologically superior species of television, a so called LED TV, which was allegedly different from and better than LCD TVs, even though both species of television use the same liquid crystal displays to generate the same screen image. The marketing materials and manual below reflect this shift to false and misleading marketing and labeling:



TOSHIBA Leading Innovation >>> Integrated High Definition LED Television User's Guide: 24L4200U 46L5200U 50L5200U 32L4200U If you need assistance: Toshiba's Support Web site support.toshiba.com Call Toshiba Customer Support Center: Within the United States at (800) 631-3811 Outside the United States at (949) 583-3050 For more information, see "Troubleshooting" on page 122 in this guide. The model number and serial number are on the back and side of your TV. Record these numbers in the spaces below. Refer to these numbers whenever you communicate with your Toshiba dealer about this TV. Model number: Note: To display a High Definition picture, the TV must be receiving a High Definition signal (such as an out

http://us.toshiba.com/tv/led/4716200u



1 2 3 TOSHIBA Leading Innovation >>> 4 Integrated High Definition LED <-Television User's Guide: 5 6 47L6200U 55L6200U 47L7200U 7 55L7200U If you need assist: Toshiba's Support Web site support.toshiba.com 8 Toshiba Customer Support Center Calling within the United States at (800) 631-3811 Calling from outside the United States at (949) 583-3050 9 For more information, see "Troubleshooting" on page 176 in this guide The model number and serial number are on the back and side of your television.

Record these numbers, whenever you communicate with your Toshiba dealer about this Television. 10 Model name: Register your Toshiba Television at register.toshiba.com 11 12 GMA300007012 13

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48. Toshiba's cartons also now prominently referred to the televisions as "LED TVs"; nowhere on the carton did Toshiba say the televisions were "LCD TVs" that used an LED light source or anything similar. Images of such cartons appear below:







49. The result of this deception was both immediate and dramatic: A product that had previously failed to make any significant inroads into the flat panel

television market suddenly became the leader of the industry. Before the false advertising at issue, CCFL-lit LCD TVs had dominated LCD TV sales in the U.S. with over 97% of sales. Today, however, as a result of the deceptive advertising, LED-lit LCD TVs now dominate the LCD TV market as well as the overall flat panel television market.

- 50. LED-lit LCD TVs are **not** in fact LED TVs. Although Toshiba has falsely advertised LED-lit LCD TVs as "LED TVs" in a successful effort to increase sales and profits, the fundamental display technology of its flat screen televisions has not changed. All of these televisions use LCD screens to display their pictures. These televisions were LCD TVs before Toshiba's false advertising and remain LCD TVs today. While a few manufacturers have refrained from falsely advertising their televisions as LED TVs, the majority of manufacturers, including Toshiba, have chosen falsely to advertise their LED-lit LCD TVs as "LED TVs" (or have used similarly deceptive language -e.g., LED HDTV).
- 51. The manufacturers that have refrained from this deception, including Sony, RCA, and Hitachi, have seen their market shares fall, while those manufacturers that have engaged in the deception, including Toshiba, have reaped the benefits of increased sales.
- 52. Toshiba uses multiple marketing channels to create the appearance of a product category and price point that simply does not exist in the consumer market. For example, for years, when visiting Toshiba's website, customers were directed to choose between LED TVs, LCD TVs, and Plasma TVs. A screenshot of Toshiba's website as of January 2, 2012 below illustrates this point:

¹ Toshiba has discontinued distributing CCFL-lit LCD TVs, although some remain for sale through third party retailers. As a result, Toshiba's web interface has been updated to eliminate the LCD category altogether.

The LCD category accurately describe the applicable display technology, while the LED category misleadingly identifies only the light source, thus falsely implying that LED, not LCD, is the display technology. Moreover, when potential purchasers click through to the actual televisions, for the LED TVs there is no reference to their being LCD display televisions. This is deceptive.

- 53. Toshiba has used circulars, newspaper and magazine advertisements, and point of sale display materials to further its deception.
- 54. In the absence of Toshiba's deceptive advertising, Plaintiffs and other consumers would instead have purchased a comparable model CCFL LCD TV from Toshiba or another manufacturer at a lower price, or would have paid less for the falsely marketed and advertised "LED TV" models that they purchased from Toshiba.
- TVs, that they do not contain LED displays, and that they are not LED TVs.

 Toshiba has falsely advertised the televisions to increase sales and profits. Toshiba would not have been able to charge the premium it has charged for its "LED TVs" if it had accurately advertised the televisions as LCD TVs or LED-lit LCD TVs.

1 LED-LIT LCD TVS ARE NOT LED TVS 2 56. LED-lit LCD TVs are not LED TVs, which employ a fundamentally 3 different technology that is still several years away from availability at prices accessible to mainstream purchasers. Actual LED TVs use light emitting diode 4 5 displays instead of the liquid crystal displays or plasma displays described above. 6 The LED displays in these televisions are self-illuminating; they require **no** 7 independent light source and do **not** contain liquid crystal technology. Actual LED 8 TVs are currently available for sale, but at prices that only the wealthy can afford; 9 the televisions are far out of the reach of mainstream consumers. 57. Toshiba does not appear to market a true LED TV, but other 10 manufacturers do. For example, Samsung's 55" true LED TV, model KN55S9C, 11 12 retailed for \$8,999. A similarly sized Samsung LED-lit LCD TV sells for as low as 13 \$799 – less than one-tenth the price. A similarly sized Toshiba LED-lit LCD TV sells for as low as \$1049. 14

58. As shown, while LED-lit LCD TVs are not LED TVs, various manufacturers, including Toshiba, have deliberately and falsely claimed that such televisions are LED TVs in order to generate sales and charge a price premium for such televisions.

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- 59. Commentators have noted the deceptive nature of this marketing and labeling. For example (all emphasis added):
 - "They are not LED TVs. Calling them such makes as much sense as calling its existing line of LCD televisions Cold Cathode Fluorescent Lamp TVs, or CCFL TVs, after the lighting technology that they use....[The] decision to drop 'LCD' was a smart marketing move....But it's also confusing consumers."
 - "There is no such thing as an LED TV. The misleading marketing on this one really annoys me. All 'LED TVs' are just LCD TVs that use LEDs as their light source."

"There has been a **lot of hype and confusion** surrounding the introduction of 'LED' Televisions....LED TVs are still LCD TVs. It is just that these new sets use LED backlights rather than the fluorescent-type backlights used in most other LCD TVs. In other words, LED TVs should actually be labeled LCD/LED or LED/LCD TVs."

LED-lit LCD TVs Are Not Inherently Superior to CCFL-lit LCD TVs

60. There is nothing about LED-lit LCD TVs that renders them inherently superior (or inferior) to CCFL-lit LCD TVs. The image that is generated on the television screen is a function of multiple design elements working together, including the quality and specifications (e.g., lumens output; transmissivity) of the LCD polarizers and color filters, light bulb, glass screen, circuitry, etc. The result is a plethora of output specifications (e.g., contrast, refresh rate, color space), which can vary by make and model, but which are not dictated by the mere fact that one television is lit by a CCFL array while the other is lit by LEDs. CCFL-lit LCD TVs can perform similarly and better than LED-lit TVs, generating equal or greater luminance, equal or better contrast ratio, and equal or better color space coordinates, among other output specifications.

PRICE PREMIUM

61. Toshiba's deceptive marketing practices have allowed it to charge a premium for the LED-lit LCD TVs that it has misrepresented as LED TVs. While the exact price premium varies by TV size (and other features), and has varied over time, at all times Toshiba's LED-lit LCD TVs have been priced higher than otherwise comparable CCFL-lit LCD TVs.

PLAINTIFFS AND THE PROPOSED CLASSES WERE DECEIVED AND INJURED

62. Plaintiffs and other purchasers of these "LED TVs" were misled into believing that they were purchasing an LED TV, not the LCD TV they actually received, and have suffered damage as a result, in the form of the premium they were deceived into paying. Plaintiffs and the proposed class members had no knowledge that the televisions were in fact LCD TVs, and did not suspect, nor did they have reason to suspect, that the televisions they were purchasing had been falsely and deceptively advertised.

PLAINTIFFS' RELIANCE AND INJURY

63. Plaintiffs relied upon Toshiba's false and deceptive representation that the television they purchased was an LED TV – which was prominently displayed on the television's carton at the time of purchase. Plaintiffs believed that they were purchasing an LED TV, not the LCD TV that they actually received. Plaintiffs would not have purchased or would have paid less for their televisions had the televisions not been falsely and deceptively advertised or had they known the truth.

CLASS ALLEGATIONS

- 64. This action has been brought, and may be properly maintained, under Federal Rules of Civil Procedure 23(a) (1)-(4) and 23 (b) (2) and (3).
- 65. Plaintiffs bring this action on behalf of themselves and all other members of a class (the "Nationwide Class") defined as follows:

All persons who purchased, for personal use and not resale, within the United States within the four years (or other applicable statute of limitations period) preceding the filing of this Complaint up through any trial of this matter, a Toshiba-brand LED-lit LCD television that is sold in a box that describes the television as an LED TV or LED HDTV or LED television.

Excluded from the Nationwide Class are Toshiba, and any 1 person or entity related to or affiliated with Toshiba, and 2 any business, person, or entity that purchased such televisions for re-sale (e.g., retailers), any judicial officer assigned to the case, the court staff and jurors, along with 3 their immediate families. 4 Alternatively or in addition, Plaintiff Brandon Martinez brings this 66. 5 action on behalf of himself and all other members of a New Mexico class (the "New 6 Mexico Subclass") defined as follows: 7 8 All persons who purchased, for personal use and not resale, within the State of New Mexico within the four years 9 (or other applicable statute of limitations period) preceding the filing of this Complaint up through any trial of this matter, a Toshiba-brand LED-lit LCD television sold in a 10 box that describes the television as an LED TV, an LED HDTV or an LED television. 11 12 Excluded from the New Mexico Subclass are Toshiba, and any person or entity related to or affiliated with Toshiba, 13 and any business, person, or entity that purchased such televisions for re-sale (e.g., retailers), any judicial officer assigned to the case, the court staff and jurors, along with 14 their immediate families. 15 67. Alternatively or in addition, Plaintiff Jeff Pile brings this action on 16 behalf of himself and all other members of a Florida class (the "Florida Subclass") 17 defined as follows: 18 19 All persons who purchased, for personal use and not resale, within the State of Florida within the four years (or other applicable statute of limitations period) preceding 20 the filing of this Complaint up through any trial of this matter, a Toshiba-brand LED-lit LCD television that is 21 sold in a box that describes the television as an LED TV or 22 LED HDTV or LED television. Excluded from the Florida Subclass are Toshiba, and any 23 person or entity related to or affiliated with Toshiba, and 24 any business, person, or entity that purchased such televisions for re-sale (e.g., retailers), any judicial officer assigned to the case, the court staff and jurors, along with 25 their immediate families. 26 27 28 26

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- (c) Whether it is false or misleading to describe an LED-lit LCD television as an LED TV.
- 72. Plaintiffs will fairly and adequately protect the interests of each proposed class and subclass that Plaintiffs (whether collectively or respectively) seek to represent.
- 73. Plaintiffs have retained experienced, qualified counsel to represent each proposed class and subclass that Plaintiffs (whether collectively or respectively) seek to represent.
- 74. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all of the class members is impracticable. Even if Plaintiffs and the other class or subclass members could afford individual litigation, the courts could not. The amount at stake for each class or subclass member is such that individual litigation would be inefficient and cost prohibitive. Additionally, the adjudication of this controversy through a class action will avoid the possibility of inconsistent and potentially conflicting adjudications of the claims asserted herein. There will be no difficulty in the management of this action as a class action.
- 75. This action is certifiable in the alternative under the provisions of Fed. R. Civ. P. 23(b)(2) because Defendant has acted or refused to act on grounds generally applicable to the class members, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class members as a whole and necessitating that any such relief be extended to the class members on a mandatory, class-wide basis.

FIRST CAUSE OF ACTION Violation of California's Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, et seq., By Plaintiffs Individually And On Behalf Of The Nationwide Class Against Defendants TAIS, Toshiba Corporation, and TLSC

76. Plaintiffs incorporate by reference and re-allege each allegation set forth in paragraphs 1-75 hereinabove.

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seq., Plaintiffs and the Nationwide Class are entitled to recover restitution,

injunctive relief, and such other relief as provided by law.

By reason of Toshiba's violation of Cal. Bus. & Prof. Code § 17500, et

THIRD CAUSE OF ACTION

Violation of the California Consumers Legal Remedies Act, Cal. Civil Code §§ 1750 et seq., By Plaintiffs Individually And On Behalf Of The Nationwide Class Against Defendants TAIS, Toshiba Corporation, and TLSC

- 89. Plaintiffs incorporate by reference and re-allege each allegation set forth in paragraphs 1-75 hereinabove.
- 90. Plaintiffs bring this claim on behalf of themselves and the Nationwide Class.
 - 91. In connection with the sale of goods to consumers, Toshiba:
 - (a) represented and represents "that goods...have characteristics...which they do not have" in violation of Cal. Civ. Code § 1770(a)(5);
 - (b) represented and represents "that goods...are of a particular style or model" when they are actually of a different "style or model" in violation of Cal. Civ. Code § 1770(a)(7); and
 - (c) advertised and advertises "goods...with intent not to sell them as advertised" in violation of Cal. Civ. Code § 1770(a)(9).
- 92. Toshiba violated these provisions by representing that televisions were LED TVs when they were in fact LCD TVs. Plaintiffs and the Nationwide Class have suffered harm as a result of these violations because they were misled into believing that they were buying an LED TV, not an LCD TV, and paid a monetary premium for these televisions that they otherwise would not have paid had the televisions been described accurately and represented truthfully.
- 93. Plaintiffs and the Nationwide Class, by this cause of action, seek injunctive relief only. Concurrently with the filing of this Complaint, a CLRA notice letter will be served on Toshiba advising Toshiba that it has violated, and continues to violate, the Consumer Legal Remedies Act. Via this letter, Plaintiffs will advise Toshiba that it must correct, repair, replace, or otherwise rectify the

1 conduct alleged herein to be in violation of the Consumer Legal Remedies Act, and 2 that if it failed to respond to this demand and to take full remedial action (including by making full restitution) within thirty days of receipt of the Notice, Plaintiffs will 3 4 amend this Complaint to request restitution, damages, actual damages, and punitive 5 damages. Assuming Toshiba declines to remedy this wrong or cease its deceptive and unlawful practices as alleged herein, within thirty days, Plaintiffs intend to 6 7 amend this Complaint to seek compensatory and punitive damages on behalf of 8 themselves and the nationwide class. 9 10 FOURTH CAUSE OF ACTION Violation of New Mexico Unfair Trade Practices Act, 11 N.M. Stat. Ann. §§ 57-12-1 et. seq., By Plaintiff Martinez Individually And On Behalf Of The New Mexico Subclass Against Defendants TAIS, Toshiba Corporation, and TLSC 12 13 94. Plaintiff Brandon Martinez incorporates by reference and re-alleges 14 15 each allegation set forth in paragraphs 1-75 hereinabove. 95. Plaintiff Martinez brings this claim on behalf of himself and the New 16 17 Mexico Subclass. 96. Plaintiff Martinez and the members of the New Mexico Subclass are 18 19 consumers under New Mexico Stat. Ann. §§ 57-12-1 et. seq. 20 97. Toshiba has engaged in deceptive practices related to the sale of its LED-lit LCD TVs by falsely labeling and marketing them as LED TVs. 21 22 98. Toshiba's deceptive acts and practices were directed at consumers and 23 were otherwise consumer oriented. 24 99. Toshiba's false and misleading advertising was disseminated to increase sales and to increase the amount of money that Toshiba could charge for 25 26 each television that was sold. 100. Toshiba knew or should have known that its advertisements and 27 28 labeling were false and misleading.

- 101. Toshiba's unconscionable conduct alleged herein included the omission and concealment of material facts and misrepresentations concerning its LED-lit LCD TVs.
 - 102. Toshiba was in a superior position to know, and actually did know, the true facts about its LED-lit LCD TVs at the time of the sale.
 - 103. Toshiba intended that Plaintiff Martinez and members of the New Mexico Subclass rely on the acts of concealment, omissions, and misrepresentations regarding the nature of LED-lit LCD TVs, so that Plaintiff Martinez and members of the New Mexico Subclass would purchase said televisions.
 - 104. If Toshiba had been truthful about the nature of and disclosed all the material information regarding the LED-lit LCD TVs sold to Plaintiff Martinez and members of the New Mexico Subclass, they would not have purchased said televisions, or would have paid less for them.
 - 105. Toshiba's deceptive acts and practices were committed in conduct of business, trade, or commerce in the state of New Mexico. Toshiba's conduct was not a unique, one-time occurrence without possibility of replication or recurrence and without implication for the broader consuming public. To the contrary, the deceptive conduct set forth herein is part of a regular and recurring practice that impacts all of the New Mexico Subclass members.
 - 106. Plaintiff Martinez and the New Mexico Subclass have suffered harm as a result of these violations because they were misled into believing that they were buying an LED TV, not an LCD TV, and paid a monetary premium for these televisions that they otherwise would not have paid had the televisions been described accurately. Plaintiff Martinez and the New Mexico Subclass have suffered injury in fact and have lost money or property as a result of Toshiba's deception, as alleged herein.
 - 107. By reason of Toshiba's violation of New Mexico Stat. Ann. §§ 57-12-1 *et. seq.*, Plaintiff Martinez and each member of the New Mexico Subclass are

entitled to recover damages, injunctive relief and their costs and attorneys' fees in filing and prosecuting this action, and such other relief as provided by law.

FIFTH CAUSE OF ACTION

Violation of New Mexico's False Advertising Law, N.M. Stat. Ann. §§ 57-15-1 et. seq. (False Advertising), By Plaintiff Martinez Individually And On Behalf Of The New Mexico Subclass Against Defendants TAIS, Toshiba Corporation, and TLSC

108. Plaintiff Brandon Martinez incorporates by reference and re-alleges each allegation set forth in paragraphs 1-75 hereinabove.

109. Plaintiff Martinez brings this claim on behalf of himself and the New Mexico Subclass.

110. Toshiba falsely advertised and labeled its LED-lit LCD TVs as LED TVs when they were in fact LCD TVs. Toshiba did this to increase sales and to increase the amount of money that Toshiba could charge for each television that was

sold.

111. Toshiba was aware at all relevant times that its advertising and labels were false and misleading.

112. Toshiba's conduct was not a unique, one-time occurrence without possibility of replication or recurrence and without implication for the broader consuming public. To the contrary, the false advertising and labelling described herein is part of a regular and recurring practice that impacts all of the New Mexico Subclass members.

113. Plaintiff Martinez and the New Mexico Subclass have suffered harm as a result of these violations because they were misled into believing that they were buying an LED TV, not an LCD TV, and paid a monetary premium for these televisions that they otherwise would not have paid had the televisions been described accurately. Plaintiff Martinez and the New Mexico Subclass have

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b) Toshiba made false and/or misleading statements of material fact 1 2 regarding its "LED" TVs, which statements were likely to 3 deceive the public; and 4 c) Toshiba knew, or was reckless in not knowing, that its statements about its "LED" TVs were false and/or misleading. 5 6 121. By the conduct described herein, Toshiba has engaged in unfair 7 methods of competition, unconscionable acts or practices, and unfair or deceptive 8 acts or practices in the conduct of trade or commerce. 9 122. The representations and omissions by Toshiba were likely to deceive reasonable consumers and a reasonable consumer would have relied on these 10 11 representations and omissions. 12 123. Had Toshiba disclosed all material information regarding its "LED" 13 TVs to Plaintiff Pile and all of the Florida Subclass members, they would not have purchased the televisions. 14 15 124. The foregoing acts and practices proximately caused Plaintiff Pile and other members of the Florida Subclass to suffer actual damages in the form of, 16 17 among other things, a monetary premium for these televisions that they otherwise would not have paid had the televisions been described accurately, and they are 18 entitled to recover such damages, attorneys' fees, and costs of suit. 19 20 SEVENTH CAUSE OF ACTION 21 Violation Of New Jersey's Consumer Fraud Act, N.J.S.A. § 56:8-1 Et Seq., By Plaintiff Rodriguez Individually And On Behalf Of The New Jersey 22 Subclass, Against Defendants TAIS, Toshiba Corporation, and TLSC 23 24 125. Plaintiff Diana Rodriguez incorporates by reference and re-allege each 25 allegation set forth in paragraphs 1-75 hereinabove. 26 126. Plaintiff Rodriguez brings this claim on behalf of herself and the New Jersey Subclass. 27

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- 127. Plaintiff Rodriguez and the other members of the New Jersey Subclass, and Toshiba, are all "persons" within the meaning of the New Jersey Consumer Fraud Act ("CFA").
- 128. Plaintiff Rodriguez and the other members of the New Jersey Subclass are "consumers" within the meaning of the CFA.
- 129. At all relevant times material hereto, Toshiba conducted trade and commerce in New Jersey and elsewhere within the meaning of the CFA.
- 130. The CFA is, by its terms, a cumulative remedy, such that remedies under its provisions can be awarded in addition to those provided under separate statutory schemes.
- 131. Without limitation, Toshiba has engaged in deceptive practices related to the sale of televisions, including but not limited to marketing and selling the televisions as LED TVs when they were in fact LCD TVs.
- 132. As described herein, Toshiba consciously failed to disclose material facts to Plaintiff Rodriguez and the other members of the New Jersey Subclass.
- 133. Toshiba's unconscionable conduct described herein included the omission and concealment of material facts concerning the televisions.
- 134. Toshiba intended that Plaintiff Rodriguez and the other members of the New Jersey Subclass rely on its deceptive practices and the acts of concealment and omissions described herein to, without limitation: (a) induce customers to purchase Toshiba's so-called "LED" TVs in the mistaken belief that they are upgrading from their existing CCFL-lit LCD TVs; (b) to charge a premium for such televisions that Plaintiffs and other consumers would not have paid had the televisions been accurately labeled and described; and (c) to capture sales from other brand televisions that were accurately labeled as LED-lit LCD TVs.
- 135. Had Toshiba disclosed all material information regarding its so-called LED TVs to Plaintiff Rodriguez and the other members of the New Jersey Subclass,

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they either: (a) would not have purchased the televisions; or (b) would not have paid the premium charged had the televisions been accurately labeled and described.

136. The foregoing acts, misrepresentations, omissions, and unconscionable commercial practices caused Plaintiff Rodriguez and the other members of the New Jersey Subclass to suffer ascertainable damages, and they are entitled to recover such damages, together with appropriate penalties, including treble damages, attorney's fees, and costs of suit.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs and the proposed classes pray for judgment and relief as follows:

- a. An order certifying that this lawsuit is properly maintainable as a class action and certifying Plaintiffs as the representatives of the Nationwide Class, or alternatively or in addition, certifying Plaintiff Martinez as the representative of the New Mexico Subclass, Plaintiff Pile as the representative of the Florida Subclass, and Plaintiff Rodriguez as the representative of the New Jersey Subclass;
- b. An injunction prohibiting Toshiba from advertising LED-lit LCD TVs as LED TVs or LED HDTVs or LED televisions nationwide (or, alternatively, within the States of New Mexico, Florida, and New Jersey);
- c. An order requiring Toshiba to engage in a corrective advertising campaign nationwide (or, alternatively, within the States of New Mexico, Florida, and New Jersey) that informs the consuming public that so-called LED TVs are in fact LCD TVs with an LED backlight;
- d. An order requiring Toshiba to re-label (or recall) all new LED-lit LCD TVs in the possession of distributors or retailers or other resellers for resale nationwide (or, alternatively, within the States of New Mexico, Florida, and New Jersey) that do not contain a clear and conspicuous disclosure that the television is an LCD TV with an LED backlight.

1	e.	e. For the First and Second Causes of Action, restitution in an amount to				
2	be determined at trial;					
3	f. For all other Causes of Action, compensatory, exemplary and punitive					
4	damages according to proof;					
5	g. For attorneys' fees and costs; and					
6	h.	h. For such other and further relief as may be just and proper.				
7						
8		DEM	MAND FOR JURY TRIAL			
9	Plai	ntiff demands a trial	by jury of all issues properly triable thereby.			
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11			RESPECTFULLY SUBMITTED,			
12	DATED: A	April 13, 2016	Dyr./a/ Haynyard I. Vaicar			
13	Diffild. 1	ipin 13, 2010	By: /s/ Hayward J. Kaiser			
14	Hayward J. Kaiser (66365) Gilbert S. Lee (267247)					
15			Mitchell Silberberg & Knupp LLP 11377 West Olympic Boulevard Los Angeles, CA 90064 Telephone: 310-312-2000 Facsimile: 310-312-3100			
16			Telephone: 310-312-2000			
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18			Jonathan Shub (237708)			
19			Kohn Swift & Graf, P.C. One South Broad Street, Suite 2100			
20			Philadelphia, PA 19107 Telephone: 215-238-1700			
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23			Patrick B. Clayton (240191) Scarpulla Law Firm			
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1 2 3 4 5 6 7 8 9 10			Daniel R Gregory Kathryn Dean C. Gray Pla 500 IDS 80 South Minneap Telephor Facsimile Email:	. Shulman* R. Merz* J. Bergstrom* Eyler* nt & Mooty Center Eighth Street olis, MN 55402 ne: 612-632 daniel.shulman gregory.merz@ katie.bergstron dean.eyler@gp		
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